

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2003-03
MANDATE REIMBURSEMENT PROCESS
(LOCAL AGENCIES)

MAY 6, 2003

In accordance with Government Code Section (GC §) 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Mandate Reimbursement Process (MRP) program. These claiming instructions are issued subsequent to adoption of the program's parameters and guidelines (P's & G's) by the Commission on State Mandates (COSM).

On March 27, 1986, the COSM determined that Chapters 486, Statutes of 1975, and Chapter 1459, Statutes of 1984, establish costs mandated by the State according to the provisions listed in the amended P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

The P's & G's for this program are amended each year after the enactment of the Budget Act. Refer to Provision 8 in Budget Act Item 0840-001-0001, and Provision 1 in Item 8885-001-0001, Statutes of 2002, that require the COSM to amend the P's & G's.

Eligible Claimants

Any city, county, city and county, and special district that incurs increased costs as a direct result of this mandate is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Reimbursement Claims

Beginning with the 2002-03 fiscal year, estimated claims may be filed with the SCO and be delivered or postmarked on or before **September 9, 2003** or an actual claim for the 2002-03 fiscal year may be filed by January 15, 2004, without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%.

In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.**

B. Estimated Claims

Unless otherwise specified in the claiming instructions, local agencies are not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must

complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

Minimum Claim Cost

For initial claims and annual claims filed **on or after September 30, 2002**, if the total costs for a given year do not exceed **\$1,000**, no reimbursement shall be allowed except as otherwise allowed by GC § 17564. The county shall determine if the submission of a combined claim is economically feasible and shall be responsible for disbursing the funds to each special district. Combined claims may be filed only when the county is the fiscal agent for the special districts. A combined claim must show the individual claim costs for each eligible special district.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities.

Reimbursement claims will only be reimbursed to the extent that expenditures can be supported and, if such information is unavailable, claims will be reduced. In addition, ongoing reimbursement claims must be supported by documentation as evidence of the expenditures. Examples of documentation may include, but are not limited to, employee time records that identify mandate activities, payroll records, invoices, receipts, contracts, travel expense vouchers, purchase orders, and caseload statistics. Refer to Sections IV and V of the attached amended P's and G's.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC § 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency is subject to audit by the State Controller no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at **www.sco.ca.gov/ard/local/locreim/index.shtml**.

Address for Filing Claims

Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents to:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

File: CSM-4485-01
Adopted: November 20, 1986
First Amendment Adopted: March 26, 1987
Second Amendment Adopted: October 26, 1995
Third Amendment Adopted: January 30, 1997
Fourth Amendment Adopted: September 25, 1997
Fifth Amendment Adopted: October 29, 1998
Sixth Amendment Adopted: September 30, 1999
Seventh Amendment Adopted: September 28, 2000
Eighth Amendment Adopted October 25, 2001
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AMENDMENTS TO PARAMETERS AND GUIDELINES

Statutes of 1975, Chapter 486
Statutes of 1984, Chapter 1459
Statutes of 1995, Chapter 303 (Budget Act of 1995)
Statutes of 1996, Chapter 162 (Budget Act of 1996)
Statutes of 1997, Chapter 282 (Budget Act of 1997)
Statutes of 1998, Chapter 324 (Budget Act of 1998)
Statutes of 1999, Chapter 50 (Budget Act of 1999)
Statutes of 2000, Chapter 52 (Budget Act of 2000)
Statutes of 2001, Chapter 106 (Budget Act of 2001)

Mandate Reimbursement Process

[For fiscal years 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, and 2001-02 only, these parameters and guidelines are amended, pursuant to the requirements of (1) provision 11 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 1995, (2) provision 9 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 1996, (3) provision 9 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 1997, (4) provision 8 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 1998, (5) provision 8 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 1999, (6) provision 8 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 2000, (7) provision 8 of Item 0840-001-0001 and provision 1 of Item 8885-001-0001 of the Budget Act of 2001, to include Appendix A.]

I. Summary of Mandate

Chapter 486, Statutes of 1975, established the Board of Control's authority to hear and make determinations on claims submitted by local governments that allege costs mandated by the state. In addition, Chapter 486/75 contains provisions authorizing the State Controller's Office to receive, review, and pay reimbursement claims for mandated costs submitted by local governments.

Chapter 1459, Statutes of 1984, created the Commission on State Mandates, which replaced the Board of Control with respect to hearing mandate cost claims. This law established the "sole and

exclusive procedure" by which a local agency or school district is allowed to claim reimbursement as required by article XIII B, section 6 of the California Constitution for state mandates under the Government Code, section 17552.

Together these laws establish the process by which local agencies receive reimbursement for state-mandated programs. As such, they prescribe the procedures that must be followed before mandated costs are recognized. They also dictate reimbursement activities by requiring local agencies and school districts to file claims according to instructions issued by the Controller.

II. Commission on State Mandates Decision

On March 27, 1986, the Commission on State Mandates determined that local agencies and school districts incurred "costs mandated by the state" as a result of Chapter 486, Statutes of 1975, and Chapter 1459, Statutes of 1984. Specifically, the commission found that these two statutes imposed a new program by requiring local governments to file claims in order to establish the existence of a mandated program as well as to obtain reimbursement for the costs of mandated programs.

III. Eligible Claimants

All local agencies and school districts incurring increased costs as a result of this mandate are eligible to claim reimbursement of those costs.

IV. Period of Claim

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

- (a) A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
- (b) A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
- (c) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed.

V. Reimbursable Costs

A. Scope of Mandate

Local agencies and school districts filing successful test claims and reimbursement claims incur state-mandated costs. The purpose of this test claim is to establish that local governments (counties, cities, school districts, special districts, etc.) cannot be made financially whole unless all state-mandated costs -- both direct and indirect -- are

reimbursed. Since local costs would not have been incurred for test claims and reimbursement claims but for the implementation of state-imposed mandates, all resulting costs are recoverable.

B. Reimbursable Activities -- Test Claims

All costs incurred by local agencies and school districts in preparing and presenting successful test claims are reimbursable, including those same costs of an unsuccessful test claim if an adverse Commission ruling is later reversed as a result of a court order. These activities include, but are not limited to, the following: preparing and presenting test claims, developing parameters and guidelines, collecting cost data, and helping with the drafting of required claiming instructions. The costs of all successful test claims are reimbursable.

Costs that may be reimbursed include the following: salaries and benefits, materials and supplies, consultant and legal costs, transportation, and indirect costs.

C. Reimbursable Activities -- Reimbursement Claims

All costs incurred during the period of this claim for the preparation and submission of successful reimbursement claims to the State Controller are recoverable by the local agencies and school districts. Allowable costs include, but are not limited to, the following: salaries and benefits, service and supplies, contracted services, training, and indirect costs.

Incorrect Reduction Claims are considered to be an element of the reimbursement process. Reimbursable activities for successful incorrect reduction claims include the appearance of necessary representatives before the Commission on State Mandates to present the claim, in addition to the reimbursable activities set forth above for successful reimbursement claims.

VI. Claim Preparation

A. Supporting Data

For audit purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, etc.) that show evidence of the validity of such costs and their relationship to the state-mandated program. All documentation in support of the claimed costs shall be made available to the State Controller's Office, as may be requested, and all reimbursement claims are subject to audit during the period specified in Government Code section 17558.5, subdivision (a).

B. Salaries and Benefits

Employee costs should be supported by the following: employee name, position (job title), productive hourly rate, hours worked, salary and benefit amounts, and a description of the tasks performed as they relate to this mandate.

C. Service and Supplies

Identify any direct costs for materials that have been consumed or expended specifically for this mandate.

D. Contract Services

Costs incurred for contract services and/or legal counsel that assist in the preparation, submission and/or presentation of claims are recoverable. Provide copies of the invoices and/or claims that were paid.

E. Training

1. Classes

Include the costs of classes designed to assist the claimant in identifying and correctly preparing state-required documentation for specific reimbursable mandates. Such costs include, but are not limited to, salaries and benefits, transportation, registration fees, per diem, and related costs incurred because of this mandate.

2. Commission Workshops

Participation in workshops convened by the Commission is reimbursable. Such costs include, but are not limited to, salaries and benefits, transportation, and per diem. This does not include reimbursement for participation in rulemaking proceedings.

F. Indirect Costs

1. Local Agencies

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Local agencies have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) pursuant to the Office of Management and Budget (OMB) Circular A-87.

2. School Districts

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

3. County Offices of Education

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

4. Community College Districts

Community College Districts must use one of the following three alternatives:

- a. An ICRP based on OMB Circular A-21;
- b. The State Controller's FAM-29C which uses the CCFS-311; or
- c. Seven percent (7%).

VII. Offsetting Savings and Other Reimbursement

Any offsetting savings the claimants experience as a direct result of this statute must be deducted from the costs claims. In addition, reimbursement for this mandate received from any source, e.g., federal, state, etc., shall be identified and deducted from this claim.

VIII. Required Certification

The following certification must accompany the claim:

I DO HEREBY CERTIFY:

THAT sections 1090 to 1096, inclusive, of the Government Code and other applicable provisions of the law have been complied with; and

THAT I am the person authorized by the local agency to file claims for funds with the State of California.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

TITLE

TELEPHONE NUMBER

(Continue to Appendix A)

PARAMETERS AND GUIDELINES

Statutes of 1975, Chapter 486

and

Statutes of 1984, Chapter 1459

APPENDIX A

Limitation on Reimbursement for Independent Contractor Costs During Fiscal Years 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, and 2001-02¹

- A. If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would necessarily have been incurred for that purpose if performed by employees of the local agency or school district.

The maximum amount of reimbursement provided in subdivision (a) for an independent contractor may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without ~~the~~ incurring ~~of~~ the additional costs claimed by the local agency or school district.

- B. Costs incurred for contract services and/or legal counsel that assist in the preparation, submission and/or presentation of claims are recoverable within the limitations imposed under A. above. Provide copies of the invoices and/or claims that were paid. For the preparation and submission of claims pursuant to Government Code sections 17561 and 17564, submit an estimate of the actual costs that would have been incurred for that purpose if performed by employees of the local agency or school district; this cost estimate is to be certified by the governing body or its designee.

If reimbursement is sought for independent contractor costs that are in excess of **[Test (1)]** ten percent of the claims prepared and submitted by the independent contractor

¹ The limitation added by (1) the Budget Act of 1995, Chapter 303, Statutes of 1995, in Item 0840-001-001, Provision 11, and in Item 8885-001-001, Provision 1, (2) the Budget Act of 1996, Chapter 162, Statutes of 1996, in Item 0840-001-0001, Provision 9, and in Item 8885-001-0001, Provision 1, (3) the Budget Act of 1997, Chapter 282, Statutes of 1997, in Item 0840-001-0001, Provision 9, and in Item 8885-001-0001, Provision 1, and (4) the Budget Act of 1998, Chapter 324, Statutes of 1998, in Item 0840-001-0001, Provision 8, and Item 8885-001-0001, Provision 1, (5) the Budget Act of 1999, Chapter 50, Statutes of 1999, in Item 0840-001-0001, Provision 8, and in Item 8885-001-0001, Provision 1, (6) the Budget Act of 2000, Chapter 52, Statutes of 2000, in Item 0840-001-0001, Provision 8, and in Item 8885-001-0001, Provision 1, (7) the Budget Act of 2001, Chapter 106, Statutes of 2001, in Item 0840-001-0001, Provision 8, and in Item 8885-001-0001, Provision 1, is shown as part A. of this Appendix.

or **[Test (2)]** the actual costs that necessarily would have been incurred for that purpose if performed by employees of the local school district, appropriate documentation must be submitted to show that the preparation and submission of these claims could not have been accomplished without the incurring of the additional costs claimed by the local agency or school district. Appropriate documentation includes the record of dates and time spent by staff of the contractor for the preparation and submission of claims on behalf of the local agency or school district, the contractor's billed rates, and explanation on reasons for exceeding Test (1) and/or Test (2). In the absence of appropriate documentation, reimbursement is limited to the lesser of Test (1) and/or Test (2). No reimbursement shall be permitted for the cost of contracted services without the submission of an estimate of actual costs by the local agency or school district.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MANDATED REIMBURSEMENT PROCESS			For State Controller Use Only		Program 041		
(01) Claimant Identification Number			(19) Program Number 00041		041		
(02) Claimant Name			(20) Date Filed ____/____/____				
County of Location			(21) LRS Input ____/____/____				
Street Address or P.O. Box Suite			(22) MRP-1, (03)(a)				
City State Zip Code			(23) MRP-1, (03)(b)				
			(24) MRP-1, (03)(c)				
			(25) MRP-1, (04)(1)(f)				
Type of Claim		Estimated Claim		Reimbursement Claim		(26) MRP-1, (04)(2)(f)	
		(03) Estimated <input type="checkbox"/>		(09) Reimbursement <input type="checkbox"/>		(27) MRP-1, (04)(3)(f)	
		(04) Combined <input type="checkbox"/>		(10) Combined <input type="checkbox"/>		(28) MRP-1, (06)	
		(05) Amended <input type="checkbox"/>		(11) Amended <input type="checkbox"/>		(29)	
Fiscal Year of Cost		(06) ____/____		(12) ____/____		(30)	
Total Claimed Amount		(07)		(13)		(31)	
Less: 10% Late Penalty				(14)		(32)	
Less: Prior Claim Payment Received				(15)		(33)	
Net Claimed Amount				(16)		(34)	
Due from State		(08)		(17)		(35)	
Due to State				(18)		(36)	
(37) CERTIFICATION OF CLAIM In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the school district to file claims with the State of California for costs mandated by Chapter 486, Statutes of 1975, et seq, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive. I further certify that there was no other application from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are a direct result of a new program or increased level of services of an existing program mandated by Chapter 486, Statutes of 1975, et seq. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant. The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 486, Statutes of 1975, et seq, set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Signature of Authorized Officer</div> <div style="width: 40%;">Date</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;">Type or Print Name</div> <div style="width: 40%;">Title</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 40%;">(38) Name of Contact Person for Claim</div> <div style="width: 20%;">Telephone Number</div> <div style="width: 20%;">() - Ext.</div> <div style="width: 20%;">E-Mail Address</div> </div>							

Program 041	MANDATE REIMBURSEMENT PROCESS (LOCAL AGENCIES) Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form MRP-1 and enter the amount from line (11).
- (08) Enter the same amount as shown on line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form MRP-1, line (11). The total claimed amount must be a minimum of \$1,000.
- (14) **Filing Deadline.** Reimbursement claims for fiscal year 2001-02 and estimated claims for fiscal year 2002-03 must be filed by **September 9, 2003**. Thereafter, reimbursement claims must be filed by January 15 of the following fiscal year in which costs were incurred or the claims shall be reduced by a late penalty of 10%. Enter the product of multiplying line (13) by the factor 0.10 (10% penalty).
- (15) If filing a reimbursement claim and a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16) Net Claimed Amount is positive, enter that amount on line (17) Due from State.
- (18) If line (16) Net Claimed Amount is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g. MRP-1, (04)(1)(d), means the information is located on form MRP-1, block (04), line (1), column (d). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by a signed certification.**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL AND A COPY OF FORM FAM-27 WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816**

Program 041	MANDATED COSTS MANDATE REIMBURSEMENT PROCESS CLAIM SUMMARY	FORM MRP-1				
(01) Claimant	(02) Type of Claim Reimbursement <input style="width: 40px;" type="text"/> Estimated <input style="width: 40px;" type="text"/>	Fiscal Year 20__/20__				
Claim Statistics						
(03) Chapter/Statute, Name, and Number of Mandates	(a) Test Claims	(b) Reimbursement/ Incorrect Reduction Claims	(c) Training			
Total Number of Claims Filed						
Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c) Services & Supplies	(d) Travel & Training	(e) Fixed Assets	(f) Total
1. Test Claims						
2. Reimbursement Claims						
3. Training						
(05) Total Direct Costs						
Indirect Costs						
(06) Indirect Cost Rate [From ICRP]						%
(07) Total Indirect Costs [Line (06) x line (05)(a)] or [line (06) x {line (05)(a) + line (05)(b)}]						
(08) Total Direct and Indirect Costs [Line (05)(f) + line (07)]						
Cost Reduction						
(09) Less: Offsetting Savings						
(10) Less: Other Reimbursements						
(11) Total Claimed Amount [Line (08) - {(line (09) + line (10))}]						

Program 041	MANDATE REIMBURSEMENT PROCESS CLAIM SUMMARY Instructions	FORM MRP-1
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- (01) Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A form MRP-1 should be completed for each department.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which costs were incurred or are to be incurred.
- Form MRP-1 must be filed for a reimbursement claim. Do not complete form MRP-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form MRP-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) **Test Claims:** Enter the chapter/statute or state regulation and program name. Give the date when the successful test claim was heard by the Commission on State Mandates. Enter an "X" in column (a) for each program.
- Reimbursement Claims/Incorrect Reduction Claims:** List each chapter/statute or state regulation and program name that is included in the claim preparation costs. Enter an "X" in column (b) for each program. Give the date when the successfully appealed incorrect reduction claim was heard by the Commission on State Mandates.
- Training:** : Enter the chapter/statute or state regulation and program name. Give the date when the training took place. Enter an "X" in column (c).
- Total the "X"s in each column. Attach a separate schedule if more space is needed to meet your requirements.
- (04) For each reimbursable component, enter the total from form MRP-2, line (05), columns (d), to (h) to form MRP-1, block (04), columns (a), to (e) in the appropriate row. Total each row and enter in column (f).
- (05) Total columns (a) to (f).
- (06) Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is reporting costs, each must have its own ICRP for the program.
- (07) Multiply Total Salaries, line (05)(a), by the Indirect Cost Rate, line (06). If both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (05)(a), and Total Benefits, line (05)(b), by the Indirect Cost Rate, line (06).
- (08) Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) Subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10), from Total Direct and Indirect Costs, line (08). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 042	MANDATED COSTS MANDATE REIMBURSEMENT PROCESS COMPONENT/ACTIVITY COST DETAIL						FORM MRP-2
(01) Claimant				(02) Fiscal Year			
(03) Reimbursable Component: Check only one box per form to identify the component being claimed. <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input type="checkbox"/> Test Claims <input type="checkbox"/> Reimbursement Claims <input type="checkbox"/> Incorrect Reduction Claims </div>							
(04) Description of Expenses				Object Accounts			
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Services and Supplies	(g) Travel and Training	(h) Fixed Assets
(05) Total <input type="text"/> Subtotal <input type="text"/> Page: ____ of ____							

Program 042	MANDATE REIMBURSEMENT PROCESS COMPONENT/ACTIVITY COST DETAIL Instructions	FORM MRP-2
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- (01) Enter the name of the claimant. If more than one department has incurred costs for the mandate, give the name of each department. A form MRP-2 should be completed for each department.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Reimbursable Components. Check only one box per form to indicate the cost component being claimed. A separate form MRP-2 shall be prepared for each applicable component.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. Allowable costs for the following cost components include, but are not limited to:

- **Test Claim** - Salaries and benefits, supplies, consultants and legal services, travel, etc.
- **Reimbursement Claim** - Salaries and benefits, supplies, contracted services, training, etc.
- **Incorrect Reduction Claim** - Salaries and benefits, supplies, contracted services, etc.

To detail costs for the component activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, etc. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. When no funds are appropriated for the initial payment at the time the claim was filed, supporting documents must be retained for three years from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns							Submit these supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Salaries	Employee Name	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked				
Benefits	Title Activities	Benefit Rate	Hours Worked		Benefits = Benefit Rate x Salaries			
Services & Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost x Quantity Used		
Office Supplies								
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Itemized Cost of Services Performed		Copy of Contract
Travel & Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode				Cost =Rate x Days or Miles or Total Travel Cost	
Travel								
Training	Employee Name/Title Name of Class		Dates Attended				Registration Fee	
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage ⁴					Itemized Cost Of Equipment Purchased

- (05) Total line (04), columns (d), to (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component costs, number each page. Enter totals from line (05), columns (d), to (h) to form MRP-1, block (04), columns (a), to (e) in the appropriate row.